Virtual 2020 Employer Summit
August 12 | Colorado, USA
Upcoming FPPA Webinars

• Employer Webinar
  • Wednesday, 8/26: Legislative Changes for SWDB employers

• Member Webinars
  • Wednesday, 9/23: Legislation overview for members
  • Wednesday, 10/7: Rule of 80
  • Wednesday, 10/21: Separate Retirement Accounts
The State of FPPA

Dan Slack, Executive Director
Topics:

• Working remotely

• SWH Plan task force

• Investment performance
  • https://fppaco.org/investments.html
Questions?
Employer Update

Ahni Smith, Accounting Director
FPPA Employer Portal

• Released an update in July that changes the look of the Portal
  • Resizes for multiple devices
• Member onboarding for paid members has been in place since early 2019
  • No paper forms!
  • Single area to manage member updates and changes
• Volunteer retirements reported through the Portal
  • Link provided to securely upload member forms

Keep your contacts current!
• Annual Pension Authorization Form process has begun
• Review all authorized contacts to the FPPA Employer Portal
Member Account Portal (MAP)

Recent updates:

• Service Purchase Applications
  • Allows members to complete the Service Purchase Application, calculate the time available and purchase cost, specify sources of funds, and track progress of the application and process

• Refund of Contributions Application
  • Allows terminated members to complete the Refund Application, designate the payment for a rollover or direct to the member, and track progress of the application and process

• Retiree address updates

Coming soon:

• Ability to estimate retirement using the Rule of 80
Employer Updates

Video Presentations:

• Links will be available through the Employer Resources area on the FPPA Employer Portal
• Look for an email notice for timing

Topics:

• Member Management for Paid Members in the FPPA Statewide Plans
• Pensionable Earnings
• Old Hire Plans Annual Update
• Volunteer Plans Annual Update
Important Reminders

• Volunteer and Old Hire plan annual contribution reports for 2020 due to FPPA no later than **December 28, 2020**

• Contribution Rate changes for the Statewide Defined Benefit Plan (SWDB) and Statewide Death & Disability Plan (SWDD) are effective for the **payroll period containing January 1, 2021**
  • *Not* payroll paid date

• Review 457 Deferred Compensation contributions to ensure limits are not exceeded
  • Limits include *both* participant and employer contributions
Information for ALL Employers

Employer Guide
Learn about FPPA plans, benefits and services provided to your employees.

Click Here

Information for Employers by Plan

GASB Guide
Governmental Accounting Standards Board

Click Here

FPPA Employer Portal
LOG IN HERE

FPPA Employer Guide

Employer Resources

Virtual 2020 Employer Summit
Questions?
Recent Legislation

Craig Baumfalk, Field Education & Outreach Representative
Ben Colussy, Benefits Director
Beth Hemenway, Communications Director
Ahni Smith, Accounting Director
Background Information

Statewide Plans Task Force ➔ Legislation Timeline

- Assembled in 2018 to study the health and longevity of FPPA Statewide Plans
  - 16 members: eight employers, eight members
- Met 11 times over seven months, resulting in several recommendations to FPPA Board, including:
  - Increased contributions into SWDB, SWD&D Plans
  - Create a Rule of 80 provision
  - Convert all member SRAs into Defined Contribution accounts
Background Information

Statewide Plans Task Force ➔ Legislation Timeline (cont’d)

• September 2019: Board directs FPPA staff to prepare legislation for 2020 Colorado legislative session
  • HB20-1044 introduced January 2020

• Signed into state law on April 1, 2020
  • Changes effective in or around January 2021
Legislative Impact to Old Hire Plan Contributions

Effective in the January 1, 2020 actuarial valuation:

• Allows FPPA Board of Directors to set the contribution policy for Old Hire plans

• The policy focuses on:
  • Stabilizing the actuarial determined contribution
  • Maintaining the funded ratio of the plan

• Why the change:
  • Old Hire plans are reaching the end of their lifespan
  • Allows more individualized funding approaches for each plan
  • Annual contributions are more predictable
  • More conservative investment allocation of the plan assets
Legislative Impact to Contributions
Effective January 1, 2021:

• SWDD rate is a combined 3.0%
  • May be paid by the member or employer on behalf of the member

• SWDB rate will increase 0.5% for member and 0.5% for employer contributions

• Continuing Excess Contributions related to the SWDB Reentry Plan will be remitted to Fidelity as part of the Statewide Hybrid Plan – Money Purchase Component

• Implement in your payroll system for the payroll period that ends on or includes January 1, 2021
Statewide Defined Benefit Plan Changes

Changes effective January 1, 2021 to:

• Employer contributions
• Some reentry department contributions
• Separate Retirement Accounts (SRAs)
• Reentry SRAs

New retirement option effective January 1, 2021:

• Rule of 80
# SWDB: Changes to Employer Contributions Effective 1/1/2021

## Statewide Defined Benefit Plan
### Contribution Rate Implementation Schedule

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Member Contribution Rate</th>
<th>Employer Contribution Rate</th>
<th>Total Combined Contribution Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 1, 2020</td>
<td>11.0%</td>
<td>8.0%</td>
<td>19.0%</td>
</tr>
<tr>
<td>Jan 1, 2021</td>
<td>11.5%</td>
<td>8.5%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Jan 1, 2022</td>
<td>12.0%</td>
<td>9.0%</td>
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</tr>
<tr>
<td>Jan 1, 2023</td>
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<tr>
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<tr>
<td>Jan 1, 2027</td>
<td>12.0%</td>
<td>11.5%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Jan 1, 2028</td>
<td>12.0%</td>
<td>12.0%</td>
<td>24.0%</td>
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<tr>
<td>Jan 1, 2029</td>
<td>12.0%</td>
<td>12.5%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Jan 1, 2030</td>
<td>12.0%</td>
<td>13.0%</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

*Departments in Supplemental Social Security Component will pay half of the contributions listed.*
SWDB: Changes to Reentry Departments

- Changes only apply to Members in the SWDB Plan
  - Changes do not apply to the Statewide Hybrid Plan or the Statewide Hybrid Plan- Money Purchase Only

- Change to Continuing Rate of Contribution
  - Members active at the time of reentry that chose the SWDB Plan are paying 4% more to be in this plan (local decision on whether this is paid by Member, Employer, or split)
  - Currently 3.8% of 4% going into Reentry SRA
SWDB: Changes to Reentry Departments (cont’d)

• Effective January 1, 2021 Continuing Rate of Contribution will be 0.2% instead of 4%
  • Current reentry contribution rates will continue until a new resolution is filed
  • If new resolution is filed Continuing Rate of Contribution can be between 0.2% and 4%
  • Any excess contributions above 0.2% will be deposited in the Member’s Statewide Hybrid Money Purchase account
Changes effective January 1, 2021 to:

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SWDB: Changes to Reentry Departments (cont’d)

• If new resolution filed options for Continuing Rate of Contribution (0.2%-4.0%)

• All Reentry Departments are different so additional educational opportunities include:
  • Webinars with Members and Employers:
    • Aug. 26th, Sept. 13th, Oct. 7th, and Oct. 21st
  • Virtual meetings with each Reentry Department by Field Ed Team
SWDB: SRA and Reentry SRA Changes

• Separate Retirement Accounts (SRAs) will be transferred to Fidelity SRA Plan as soon as possible after 1/1/2021

• Reentry SRAs will be transferred to Fidelity Statewide Hybrid Money Purchase Plan as soon as possible after 1/1/2021
SWDB: Rule of 80

Changes effective January 1, 2021:

- New definition of Normal Retirement
- Applies to Statewide Defined Benefit (SWDB) Plan
  - Also SWDB Supplemental Social Security Component
- If a member’s combined years of SWDB service and age totals 80 or more
  - Minimum age is 50
  - Benefit % is still based on years of SWDB service
- Funded by increasing Employer contributions by 1.0%
  - Spread out over 2 years, (or 0.5% per year), starting in 2029
- Dedicated Rule of 80 Webinar
  - Wednesday, October 7th, 2020
- Impact to Employer contributions for Statewide Death & Disability Plan
Statewide Death & Disability (SWDD) Plan Changes

Contribution changes effective January 1, 2021:

• Applies to all SWDD affiliated employers
• Sets the required contribution rate to 3.0%
  • (Current rate is 2.8%, current plan cost is 3.8%)
• Required contribution rate can be adjusted up to 0.2% each year thereafter
  • Old statutory language allowed an adjustment of 0.1% every 2 years, if necessary.
• More information is available on our website
  • forwardwithfppa.org
Legislative Impact to Contributions

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• Implement in your payroll system for the payroll period that ends on or includes January 1, 2021
Questions?

Panelists:
• Ben Colussy, Benefits Director
• Beth Hemenway, Communications Director
• Kevin Lindahl, General Counsel
• Ahni Smith, Accounting Director
• Chip Weule, Chief Benefits Officer

Moderators:
• Phil Borgman, Field Education and Outreach Representative
• Craig Baumfalk, Field Education and Outreach Representative
This event has ended. Thank you for attending.

If you have additional questions, please contact your employer representative or email questions@fppaco.org

Upcoming FPPA Webinars

- Legislative Overview for SWDB Employers: 8/26
- Understanding Medicare: 8/26
- What is the Rule of 80?: 10/7
- SRA Changes for 2021: 10/21

Learn more and register at fppa.co/webinars